

Message Text

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ACTION IO-14

INFO OCT-01 EUR-12 ISO-00 AGR-01 AID-05 EB-08 ICA-20
COME-00 TRSE-00 CIAE-00 INR-10 NSAE-00 L-03 FRB-01
OMB-01 ITC-01 SP-02 LAB-04 OIC-02 SIL-01 STR-07
CEA-01 CAB-05 DODE-00 DOTE-00 FAA-00 HEW-06 OES-07
NSF-02 CEQ-01 ABF-01 /116 W
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FM USMISSION GENEVA
TO SECSTATE WASHDC 1510
INFO AMEMBASSY PARIS
AMEMBASSY ROME

UNCLAS GENEVA 09922

PARIS FOR NESCO; ROME FOR FODAG

E.O. 11652: N/A

TAGS: AORG

SUBJ: GENEVA GROUP: WHO AND SAFPBA

REF: GENEVA 08338

1. AT 19 JUNE MEETING, GENEVA GROUP FORMULATED SET OF QUESTIONS CONSISTENT WITH REFTEL. WRITTEN QUESTIONS WERE CIRCULATED AMONG GROUP MEMBERS AND TO WARREN FURTH, WHO ADMINISTRATIVE HEAD.

2. ON 29 JUNE FURTH, ACCOMPANIED BY BUDGET CHIEF IMBRUGLIA AND ADMINISTRATIVE OFFICER PIEL, MET WITH GG (WHO). HIS PRESENTATION FOLLOWED THE FORMAT OF THE GG QUESTIONS.

3. THE FIRST QUESTION WAS WHETHER OR NOT THE POINTS COVERED IN ANNEXES E AND F OF SAFPBA WOULD BE INCLUDED IN THE WHO BUDGET DOCUMENT, CONSISTENT WITH ACC AND UNCLASSIFIED

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CCAQ PAPERS. FURTH REPLIED QUOTE DEFINITELY YES UNQUOTE, SAYING THAT WHO PLAYED A LEADING ROLE IN FORMULATING THE ACC AND CCAQ PROCEDURES. THE BUDGET WILL INCLUDE INFORMATION ON SUCH ITEMS AS REPAYMENT SCHEDULES, PRINTING COSTS, AND OTHER ELEMENTS THAT SHOULD NOT BE GROUPED UNDER AN AVERAGE FIGURE. HE SAID THAT STANDARDIZED INFLATION ASSUMPTIONS ARE NOT POSSIBLE

BECAUSE AGENCIES ADOPT THEIR BUDGETS ON DIFFERENT DATES AND EACH SHOULD USE THE LATEST AVAILABLE INFORMATION. HE DID REPORT THAT THE GENEVA BASED AGENCIES WILL MEET IN AUGUST TO DISCUSS INFLATION AND FLUCTUATION BUT CONSIDERED IT PROBLEMATIC THAT THEY WOULD REACH AGREEMENT. (FURTH PRIVATELY TOLD MISOFF THAT WHO WOULD PROBABLY USE CURRENT RATE FOR GENEVA, OR 1.3 PERCENT.) TICKING OFF THE POINTS OF ANNEX E, FURTH SAID SEMI-FULL BUDGETING WOULD NOT BE APPLIED, AND CITED ACC DECISION AS HIS ARGUMENT.

4. TURNING TO ANNEX F OF SAFPBA, FURTH INDICATED THAT THE BUDGET DOCUMENT WOULD INCLUDE THE ASSUMPTIONS RELATING TO THE EXCHANGE RATES OF THE MAJOR CURRENCIES USED BY WHO, TOTALING ABOUT 95 PERCENT OF EXPENDITURES. THE RATES WOULD BE BASED UPON RATES PREVAILING AT THE TIME OF BUDGET PREPARATION. WITH RESPECT TO THE DISPOSITION OF FUNDS GAINED ON EXCHANGE, THERE WOULD BE FULL REPORTS AND WHA 31.37 WILL APPLY.

5. THE SECOND QUESTION RELATED TO THE LANGUAGE OF QUOTE REAL PROGRAM GROWTH UNQUOTE AND QUOTE REAL INCREASE UNQUOTE. FURTH STRONGLY DEFENDED THE WHO DRAFT ARGUING THAT THE REAL WAS IN DISTINCTION TO COST INCREASES. MEETING FINALLY AGREED THAT LANGUAGE OF STEPS 1 AND 2 OF WHO FORMAT WOULD BE QUOTE REAL UNCLASSIFIED

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INCREASE UNQUOTE.

6. GERMANY AND UK MADE REFERENCE TO THE FACT THAT BUDGET MAY NOT BE THE SAME AS ACTUAL EXPENDITURES. FURTH POINTED OUT THAT ACTUAL EXPENDITURES CAN BE KNOWN ONLY FOR A VERY SHORT PERIOD OF THE QUOTE BASE BUDGET UNQUOTE WHEN THE NEXT BUDGET IS PREPARED AND THAT THE COMPARISON IS OF BUDGET TO BUDGET.

7. IN REPLY TO THE THIRD QUESTION WHICH CONCERNED THE LAPSE FACTOR, FURTH STATED THAT WHO USES STANDARD OR ACTUAL FIGURES WHICH INCORPORATE THE LAPSE ELEMENT SINCE THE PROCEDURE IS TO TAKE PAYROLL AND DIVIDE BY NUMBER OF POSTS, SO THAT EXPERIENCE IS BUILT IN.

8. THE FORMULATION OF STEP 15 IN THE WHO FORMAT WAS QUESTION 4. FURTH USED AS AN EXAMPLE THE ALMA ATA MEETING AS NON-RECURRING ITEM. THE UK POINTED OUT THAT ITEMS 3 AND 5 ARE VAGUE AND COULD BE USED TO FOIST ONTO MEMBERS ITEMS NOT AS CLEAR AS THE EXAMPLE.

9. THE FINAL QUESTION RELATED TO PRODUCTIVITY AND

SLIPPAGE. FURTH SAID HE WOULD BE GLAD TO DO WHAT THE GOVERNMENTS WANTED IF THEY WOULD TELL HIM HOW TO MEASURE PRODUCTIVITY CHANGES. WITH RESPECT TO SLIPPAGE, FURTH SAID HE PREFERRED THE TERM QUOTE MANAGED PROGRAM SLIPPAGE UNQUOTE AND STATED IT IS THE MAJOR MEANS OF COMPENSATION FOR DEFICITS CAUSED BY CURRENCY FLUCTUATIONS.

10. FURTH READ FROM PREPARED NOTES, WHICH HE AGREED TO MAKE AVAILABLE. COPIES OF QUESTIONS AND ANSWERS WILL BE POUCHED. VANDEN HEUVEL

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NNN

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